

Office of the President and
Chief Executive Officer

Cabinet du président
et chef de la direction

July 20, 2012

Dear Premiers:

The Canadian Chamber of Commerce wishes you a productive annual Council of the Federation meeting in Halifax July 25-27 and asks that you include in your deliberations issues our members believe you have the power to significantly influence. These issues are internal trade barriers, investing in infrastructure to keep Canada competitive, a Canadian energy strategy and Pooled Registered Pension Plans (PRPPs).

The Canadian Chamber's members include approximately 192,000 businesses of all sizes in every region of Canada represented by our network of more than 420 local chambers of commerce and boards of trade, as well as corporations and industry associations.

Internal Trade Barriers

While we work to create a strong North American business environment, we must also ensure that Canada is able to compete internationally. The inefficiencies of our diverse system of provincial/territorial regulations hobble Canada's ability to compete. Removing the remaining internal barriers will not only increase economic opportunities amongst the provinces and territories but will place Canada in a better position compared our main international competitors. The Canadian Chamber of Commerce applauds the work of the Council of the Federation to remove the remaining barriers to interprovincial/territorial trade. We are particularly pleased by the recent amendments to the person-to-government dispute resolutions mechanism in the Agreement on Internal Trade (AIT) and the adoption of Bill C-311, *An Act to Amend the Importation of Intoxicating Liquors Act*. Now that the federal government has opened the opportunity for inter-provincial/territorial trade in wine, we urge all provinces and territories to amend their legislation to allow consumers to personally transport or have wine shipped across provincial/territories boundaries for personal consumption.

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Investing in Infrastructure

State of the art, effective and reliable infrastructure is a key component of economic competitiveness. Unfortunately, Canada has not maintained an adequate investment in infrastructure and faces an enormous bulge of public infrastructure requirements. As infrastructure ages, its efficiency falls and maintenance costs rise. Canadian governments have traditionally adopted an uncoordinated approach to infrastructure investment. We need a national infrastructure investment strategy that is developed amongst all levels of government and in full consultation with relevant stakeholders. This strategy must include innovative funding models and increased private sector involvement. It must take into account the wide range of challenges and opportunities in communities across Canada. The Canadian Chamber of Commerce urges all members of the Council of the Federation to make long-term infrastructure planning and investment a priority issue.

A Canadian Energy Strategy

Canada's abundant and diverse energy resources are fundamental to our economy as well as to the security and quality of life of our citizens. A Canadian energy strategy could help establish a consensus on Canada's long-term energy direction. The practical benefits of an energy strategy could include further enhancing the regulatory regime for the sector and securing agreement on energy transportation infrastructure. Further advantages would include more sharing of energy system information and best practices, as well as enabling investment in new technologies to maximize our natural resource potential and improving environmental performance.

Since 2009, the Canadian Chamber has been calling for governments at all levels, energy producers and energy users to jointly develop a Canadian Energy Strategy. The Council of the Federation took an important step in this direction in 2007 through the release of *A Shared Vision for Energy in Canada*. We urge provincial and territorial governments to continue to work with their federal counterparts and other stakeholders to develop a plan that maintains a market-based approach to energy and ensures beneficial trade relationships with the U.S. while developing new international markets, and safeguarding the environment.

Pooled Registered Pension Plans (PRPPs)

The Canadian Chamber urges those provinces and territories that have yet to follow the federal and Quebec governments in introducing and passing the legislation necessary to make PRPPs available in their jurisdictions to do so. We support PRPPs as an opportunity for small and medium-sized businesses - of which many have limited, or no, resources to provide retirement savings plans - to help their employees save for retirement. PRPPs will also provide individuals and the self-employed with additional retirement savings options.

Some provinces have indicated they want to tie PRPP implementation to enhancements to the Canada Pension Plan (CPP). Reforming CPP will be very complex and time-consuming, which will delay making PRPPs available to those who could benefit from them as a retirement savings vehicle. We urge all governments to treat the implementation of PRPPs as an issue to be dealt with separately.

Please accept my best wishes for your meeting. I look forward to learning of its outcomes and would be pleased to discuss any or all of these issues with you.

Sincerely,



Perrin Beatty
President and Chief Executive Officer

c.c.: Hon. Peter Penashue, Minister of Intergovernmental Affairs & President of the Queen's Privy Council for Canada

Hon. Denis Lebel, Minister of Transport, Infrastructure and Communities and Minister Responsible for the Economic Development Agency of Canada for the Regions of Quebec

Hon. Joe Oliver, Minister of Natural Resources

Hon. Ted Menzies, Minister of State (Finance)



October 15, 2012

Mr. Perrin Beatty
President and Chief Executive Officer
Canadian Chamber of Commerce
360 Albert Street, Suite 420
Ottawa, ON K1R 7X7

Dear Mr. Beatty:

Thank you for your letter outlining the views of the Canadian Chamber of Commerce on internal trade, infrastructure, energy, and Pooled Retirement Pension plans. I appreciated you sharing that perspective in advance of the Council of the Federation (COF) meeting in Halifax this past July.

At the meeting, Premiers' discussions touched on many of the important themes outlined in your letter. In particular you may wish to note that:

- Premiers agreed that the retirement income system should be affordable, support labour mobility, and facilitate new pension innovations.
- Premiers agreed that the terms of the next federal long-term infrastructure funding plan should be flexible, streamlined and complement the needs, strategic priorities and infrastructure investments of provinces and territories.
- Premiers identified a number of next steps to developing a Canadian energy strategy, starting with building on the 2007 COF *Shared Vision for Energy in Canada*.

The communiqués on Energy and the Economy which speak to these issues are attached for your reference and review. Communiqués on other issues discussed at the meeting can be found on <http://councilofthefederation.ca>.

On behalf of Premiers, thank you again for sharing your views in advance of our meeting.

Sincerely,

Darrell E. Dexter, Q.C., M.L.A.
Chair, Council of the Federation
Premier of Nova Scotia

Enclosures